



Department of Economic and
Community Development

Connecticut
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Catherine H. Smith
Commissioner

TESTIMONY BEFORE THE LABOR AND PUBLIC EMPLOYEES COMMITTEE
3/8/16

RE: HB 5377: AN ACT CONCERNING THE PREVAILING WAGE

Senator Gomes, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee. I appreciate the opportunity to share our concerns with HB 5377: An Act Concerning the Prevailing Wage.

As you are aware, our mission at the Department of Economic and Community Development (DECD) is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting cultural and tourism assets.

HB 5377 calls for businesses receiving financial assistance for construction projects from DECD to abide by prevailing wage requirements. While the legislation is well-intentioned, the department has serious concerns that this initiative will dissuade businesses – both large and small – from considering investments in the state. First, we are concerned that the legislation does not include any cost threshold below which companies would be exempt from this new requirement; hence, even a small business receiving a Small Business Express loan from us to conduct modest property improvements would be impacted. More importantly, we believe that such a mandate, not required by other states, will disadvantage Connecticut in vying for new businesses opportunities in today's competitive marketplace.

Thank you for considering the department's comments on this matter.